

**REMARKS/ARGUMENTS**

This Preliminary Amendment is filed in order to facilitate processing of the above identified application.

Applicants respectfully point out that priority of the current invention is August 24, 1998. Applicants respectfully point out that the reference cited by the Examiner in the Advisory Action is dated May 16, 1999, which is after Applicants priority date (a Certified Translation of the priority document will be filed shortly). Therefore, Applicants respectfully submit that the reference cited by the Examiner is improper.

As indicated above, claims 1, 11, 49-52 and 67-70 have been amended in order to make explicit what is implicit in the claims. The amendment is unrelated to a statutory requirement for patentability.

Applicants respectfully submit that nothing in the prior art shows, teaches or suggests an apparatus or method including a first encoding method encoding still picture data without audio data and a second encoding method encoding audio data with moving picture data or still picture data as now claimed. Therefore, Applicants respectfully request the Examiner withdraws the rejection to claims 11-12, 14-17, 19-24, 35, 49-53, 55-58, 60-65 and 67-70 under 35 U.S.C. § 103.

Thus, it now appears that the application is in condition for a reconsideration and allowance. Reconsideration and allowance at an early date are respectfully requested.

**CONCLUSION**

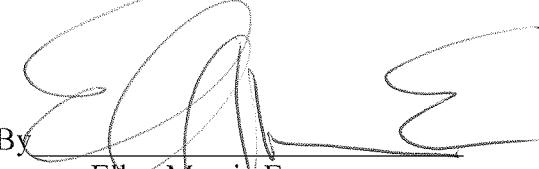
If for any reason the Examiner feels that the application is not now in condition for allowance, the Examiner is requested to contact, by telephone, the Applicants' undersigned attorney at the indicated telephone number to arrange for an interview to expedite the disposition of this case.

In the event that this paper is not timely filed within the currently set shortened statutory period, Applicants respectfully petition for an appropriate extension of time. The fees for such extension of time may be charged to Deposit Account No. 50-0320.

In the event that any additional fees are due with this paper, please charge to our Deposit Account No. 50-0320.

Respectfully submitted,

FROMMER LAWRENCE & HAUG LLP  
Attorneys for Applicants

By   
Ellen Marcie Emas  
Reg. No. 32,131  
(202) 292-1530

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